



NEWSLETTER



SURE 2010 Crop Disaster Program Signup - Nov. 14 to June 1

Enrollment for Montana farmers with 2010 crop losses to signup under the Supplemental Revenue Assistance Payments (SURE) program began on Nov. 14, 2011. The sign-up deadline for the 2010 SURE program is June 1, 2012.

SURE is available to eligible producers on:

- farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred at least a 10 percent crop production loss or quality loss, or both, on at least one crop of economic significance on crops grown by a producer nationwide, except grazed crops; or
- farms in which, for the crop year, an overall loss greater than 50 percent of the actual production on the farm compared to normal production for the farm.

Although farmers have been able to sign up for the SURE program since Nov. 14, the SURE payments may not be issued until sometime later because the 2010 National Average Market Price (NAMP) data may not be available for all crops. The NAMP prices are intended to reflect the actual marketing value of a crop during the marketing year and the marketing year for some crops will not end until the beginning of 2012. For more information, call or visit your local FSA county office. A map of Montana counties that were designated as 2010 primary or contiguous secretarial disaster counties and more information about FSA programs are available on the state FSA Web site at www.fsa.usda.gov/mt.

2011 Crop Losses

All producers, especially producers with uninsured crops are asked to report losses to the FSA Office. Our experience with the SURE program in the past few years has made us aware of the importance of documenting losses now, not next year when we will be having the 2011 SURE sign up. FSA will do field visits to document your production, there is a measurement service fee of about \$60-\$75 depending on how long it takes us. If you have crop insurance, they will do the appraisals and paperwork and FSA will use that data. If you don't have crop insurance, we want to document your losses now before production is fed or otherwise left your farm.

FSA & NRCS Offer Flood Recovery Assistance to Producers

Montana farmers and ranchers can signup for three programs being offered by FSA and NRCS to assist with flood recovery efforts. Programs include: FSA's Conservation Reserve Program-Continuous Sign-up and NRCS's Environmental Quality Incentives Program (EQIP) and the Wetlands Reserve Program (WRP). These programs can give producers additional management options to cope with the flood aftermath such as damaged irrigation diversions and new cottonwood seedlings. For more information, contact the FSA and NRCS offices or the state FSA website at www.fsa.usda.gov/mt.

Change to Average Adjusted Gross Income (AGI) Compliance Forms and Process for FSA Participants

Forms CCC-926 (Average Adjusted Gross Income Statement) and forms CCC-927 and CCC-928 (Consent to Disclosure of Tax Information) have now been replaced by a single form, CCC-931 (Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information). This form will be submitted to your local County FSA Office, and can be used for any of the years 2009-2012. The forms will then be sent by the County Office in batches to the IRS in order to complete the mandated compliance checks. One important thing to note is that because the form also serves as an IRS information release, Farm Service Agency signature authority documents, such as the FSA-211 Power of Attorney form, cannot be used to sign the CCC-931 on behalf of anyone else. The form must be signed by someone who has the authority to sign tax documents for the individual or entity in question.

Montana Farm Service Agency State E-Newsletter

December 2011

Montana State FSA Committee:

Steve Carney, *Chair*
Floyd Dahlman, *Member*
Kelly Flaherty-Settle, *Member*
Hans McPherson, *Member*
Patricia Quisno, *Member*

Acting State Executive Director

Richard "Dick" Deschamps

P.O. Box 670
Bozeman, MT 59771
406-587-6872 phone
406-587-6887 fax

Montana FSA Web site:

www.fsa.usda.gov/mt

Hours:

Monday - Friday
7:30 a.m. - 4:30 p.m.

Upcoming State Committee

Meetings:

Jan. 11-12, April 4-5, July 9-10
and Oct. 10-11 in the Montana
State Office located at 10 East
Babcock on the 5th Floor of the
Federal Building in Bozeman.

FSA State Office Management:

Richard "Dick" Deschamps,
Chief Administrative Officer
Dave Pitts,
Farm Loan Program Chief
Amy Webbink,
Price Support/Conservation Chief
Program Specialist
Shelly Rolando, *Disaster and*
Compliance Program Chief
Jennifer Perez Cole, *Public*
Affairs Specialist. Outreach
Coordinator, State Civil Rights
Coordinator
Cindy Coad,

Program/Management Analyst

Reasonable Accommodations:
Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, contact the County Executive Director directly or by phone at the county FSA Office or the Federal Relay Service at 1-800-877-8339.

2012 DCP & ACRE Signup Period: Jan. 23, 2012 to June 1, 2012

The FSA County Office will begin enrollment for the 2012 Direct and Counter-cyclical Program (DCP) and also the 2012 Average Crop Revenue Election Program (ACRE) Program on Jan. 23, 2012 and will continue through June 1, 2012. The DCP and ACRE programs do not provide for an advance direct payment for the 2012 crop year. Final payments will be issued after Oct. 1, 2012.

The ACRE program provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year. Planted crops considered eligible for ACRE payments include: wheat, barley, oats, grain sorghum, corn, upland cotton, peanuts, pulse crops (dry peas, lentils, chickpeas or garbanzo beans), rice, soybeans, and other oilseeds (canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed).

The Direct and Counter-Cyclical Program (DCP) provides producers an income safety net in the form of annual direct payments and counter-cyclical payments when commodity prices fall below certain levels.

The 2012 DCP and ACRE contract signatures for enrollment are due by the signup deadline of June 1, 2012. For more info, contact your local county FSA office.

Important Reminder of NAP Coverage Deadlines for 2012 Crop Year

FSA's Non-Insured Crop Disaster Assistance Program (NAP) was designed to provide financial assistance to producers of non-insurable crops when low yields or prevented planting occurs as the result of natural disasters. Statutes limit NAP coverage to each commercial crop or agricultural commodity, except livestock, for which the catastrophic (CAT) level of insurance is not available. The deadline to purchase 2012 NAP coverage in Montana is **March 15, 2012**, for all NAP crops except for value-loss and honey crops. The deadline for 2012 value-loss crops (Christmas Trees, Crustaceans, Fin Fish and Flowers) was Sept. 1, 2011. The deadline for the 2012 honey coverage was Dec. 1, 2011. In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially-produced agricultural commodity crops for which catastrophic risk protection level of crop insurance is not available. If the Risk Management Agency offers coverage for a crop in the county, then NAP coverage is not available for that crop. In the event of a natural disaster, NAP covers the amount of loss greater than 50 percent of the expected production based on the approved yield and reported acreage. Eligible producers can apply for coverage using form CCC-471 application for coverage and pay the applicable service fee by the sales closing deadline. Eligible producers must pay a service fee of \$250 per crop per administrative county or \$750 per producer per county, not to exceed \$1875 for a producer with farming interests in multiple counties. Service fees may be waived for limited-resource producers. For more info on NAP or other FSA programs, contact your local FSA office.

Jan. 30, 2012 deadline for 2011 livestock losses under FSA's Livestock Indemnity Program (LIP)

Livestock owners with 2011 losses must file an application for payment no later than Jan. 30, 2012. The Livestock Indemnity Program (LIP) provides assistance to eligible livestock owners and contract growers for eligible livestock deaths in excess of normal mortality due to adverse weather that occurred on or before September 30, 2011. For 2011 losses, producers must file a notice of loss the earlier of 30 calendar days of when the loss of livestock is apparent, or December 29, 2011. A notice of loss can be reported to the office by phone, fax, or e-mail. Eligible livestock deaths must have occurred in the calendar year for which benefits are being requested. An Application for payment may be filed at any time in 2011, but must be filed no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurred. For 2011 losses, the Application for Payment must be filed no later than Jan. 30, 2012. For more information, contact your FSA county office or visit <http://disaster.fsa.usda.gov>.

Emergency Livestock Assistance Program (ELAP)

FSA's ELAP provides compensation to eligible producers of livestock, honey bees and farm-raised fish for losses due to disease, adverse weather, or other loss conditions, including losses caused by blizzards and wildfires. ELAP provides assistance for losses that are not covered under the Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), or Supplemental Revenue Assistance Program (SURE). To be eligible to receive assistance under ELAP for eligible losses of livestock, honeybees, and farm-raised fish, an eligible producer must have suffered eligible losses due to an eligible adverse weather or loss condition that occurred on or after Jan. 1, 2008 and before Oct. 1, 2011, and in the calendar year for which assistance is being requested. For 2011 calendar year losses of livestock, producers must file a notice of loss the earlier of 30 calendar days of when the loss is apparent to the participant or Dec. 29, 2011. For 2011 livestock grazing and feed losses, honeybee, and farm-raised fish losses, producers must file a notice of loss the earlier of 30 calendar days of when the loss is apparent to the participant or Jan. 30, 2012. An application for payment must be filed no later than Jan. 30, 2012 for producers who suffer losses in calendar year 2011. Additional ELAP eligibility information is available at FSA county offices or online at <http://disaster.fsa.usda.gov>.

Sample 2011 Crops for 2011 SURE Program

If you have experienced quality issues with any of your 2011 crops we urge you to have the crop officially tested prior to January 1, 2012. If we end up with a crop year 2011 SURE program (crop disaster program) quality losses may be covered, but only if they are properly documented. Testing should be completed by a state lab or other facility acceptable to FSA.

Highly Erodible Land and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Producers that have previously tilled acreage in permanent vegetation, such as pasture grass or CRP, with HEL determined soils, are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the USDA Farm Service Agency prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

Farm Storage and Facility Loan (FSFL) Program Available - *Honey is now an eligible commodity*

FSA's Farm Storage and Facility Loan (FSFL) Program provides low-interest financing for producers of eligible commodities to build or upgrade farm storage and handling facilities. Participants are required to provide a down payment of 15 percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Loan terms of seven, ten, or twelve years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department. Payments are available in the form of a partial disbursement and the remaining final disbursement. The final disbursement will be made when all construction is completed. An FSFL generally must be approved before any site preparation or construction can begin. The following commodities are eligible for farm storage facility loans: honey, corn, grain sorghum, soybeans, oats, wheat, barley, or minor oilseeds harvested as whole grain; corn, grain sorghum, wheat, oats, or barley harvested as other than whole grain; hay; renewable biomass; fruits (including nuts) and vegetables—cold storage facilities.

Emergency Farm Loans

FSA provides emergency loans to help producers recover from production losses and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loan funds may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts. More info and applications for the loan programs described are available at local FSA county offices.

FSA Cooperation with RMA

The Agricultural Risk Protection Act of 2000 requires the Farm Service Agency (FSA) and the Risk Management Agency (RMA) to work together to improve program compliance and integrity of the Federal Crop Insurance Program. As a result of the passage of the 2000 Act, RMA and FSA are required to coordinate a plan to identify, address and reconcile discrepancies of all relevant producer-derived information, and to coordinate a monitoring program to include fact finding relative to allegations of program fraud, waste, and abuse. FSA will assist RMA and insurance providers in monitoring conditions throughout the growing season and conduct growing season inspections. All suspected cases of fraud, waste, and abuse concerning the Federal Crop Insurance Program will be referred to RMA. FSA will also assist RMA with auditing claims. Producers may also report suspected cases of fraud, waste, and abuse to their local FSA County Office, the RMA Office or OIG.

Loans for the Socially Disadvantaged

FSA has loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact the local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan - even if the producer regains beneficial interest. Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan. Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

VISIT FSA ONLINE: Information on FSA programs, the 2011 Montana FSA Farmer & Rancher Program Handbook, forms, state news releases, upcoming deadlines and state e-newsletters and county newsletters & more are available at: www.fsa.usda.gov/mt.

Selected Interest Rates - December 2011

Farm Operating - Direct	1.50%
Farm Ownership - Direct	3.375%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency - Actual Loss	3.75%
Farm Storage Facility - 7-year	1.500%
Farm Storage Facility - 10-year	2.125%
Farm Storage Facility - 12-year	2.375%
Crop Year Commodity Loans	1.125%
CCC Borrowing Rate	0.125%

FSA: Upcoming Important Dates to Remember:

Dec. 5: Last day to return voted ballots to the local FSA office.
Dec 26: USDA Service Centers closed for Christmas Day federal holiday
Jan. 1: Elected County Committee members and alternates take office.
Jan. 2: USDA Service Centers closed for New Year's observed federal holiday
Jan. 23: 2012 DCP and ACRE Enrollment Begins
March 15: NAP Closing Date for 2012 Crops (except value loss and honey)
June 1: 2012 ACRE Signup Deadline
June 1: 2012 DCP Signup Deadline
June 1: SURE Signup Deadline for 2010 Crop Year
July 15: Final date to file 2012 Acreage Report and 2011 NAP Production Report
Continues: Continuous Conservation Reserve Program

EMAIL? Interested in receiving electronic FSA newsletters & updates? Contact the FSA county office for more information.

Farm Loan Program

FSA is committed to providing family farmers with loans to meet their farm credit needs. If you are looking at expanding your farm operation or just starting out, FSA has direct and guaranteed loans to fit your financial needs. Ask your lender about an FSA loan guarantee to purchase real estate, buy machinery, equipment or livestock or to obtain credit to cover your input costs for the crop year. Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000 starting on Oct. 1, 2011. The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after Oct. 1, 2011.

USDA Nondiscrimination Statement/Complaint Process:

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."